

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunication Relay Services)	CG Docket No. 03-123
and Speech-to-Speech Services for)	(FCC 04-137)
Individuals with Hearing and Speech)	
Disabilities Video Relay Services)	
)	
)	
)	
)	

**COMMENTS OF
PUBLIC UTILITY COMMISSION OF OREGON**

These comments are submitted by the Public Utility Commission of Oregon ("Oregon Commission") in response to the Further Notice of Proposed Rulemaking, CG Docket No. 03-123, released on June 30, 2004, through the Federal Communications Commission (04-137). The Further Notice of Proposed Rulemaking (FNPR) seeks comments on how to determine interstate and intrastate calls for Internet Relay and Video Relay Services. The FNPR also seeks input on whether Internet Relay and Video Relay Services (VRS) should be mandated.

Summary of Recommendations

1. The FCC should consider NASRA's comments in response to CG 03-123, FCC 04-137.
2. If the FCC cannot consider the recommendations of NASRA, then the FCC should continue to allow NECA to cover the interstate and intrastate Internet Relay costs, as it currently does, until methods to clearly identify interstate and

- intrastate minutes are in place and successful for a period of at least three years before mandating Internet Relay.
3. Internet Relay Services should also not be mandated until clear methods to control fraud are in place.
 4. The FCC should continue to allow NECA to cover the interstate and intrastate VRS costs.

1. The FCC should consider NASRA's comments in response to CG 03-123, FCC 04-137.

Oregon Public Utility Commission (OPUC) recommends that the FCC consider the comments of the National Association of State Relay Administrators (NASRA), and their comments on VRS and Internet Relay cost recovery methodology. In their comments, they outlined concerns about the responsibility of intrastate costs of Internet Relay and Video Relay Services being passed on to the state and suggested that the FCC mandate Internet Relay and Video Relay Services permanently, and that a separate fund be developed to collect fees from interstate and intrastate providers for the provision of these Internet-based services.

2. If the FCC cannot consider the recommendations of NASRA, then the FCC should continue to allow NECA to cover the interstate and intrastate Internet Relay costs, as it currently does, until methods to clearly identify interstate and intrastate minutes are in place and successful for a period of at least three years before mandating Internet Relay

If the FCC cannot consider permanently funding Internet Relay and Video Relay Services through the establishment of a separate fund, with fees collected through intrastate and interstate telecommunications providers, then it is suggested that the FCC continue with the current method of the National Exchange Carriers Association (NECA) funding both Internet Relay Services and Video Relay Services. OPUC is concerned about the issue of passing on Internet Relay costs to states at this time, when there is no clear method to determine the origin of the calls. The two potential methods (fixed allocator and registration) pose an administrative burden on the states. As stated previously in the FNPRM, a fixed allocator will proportionally apply a percentage of interstate and intrastate minutes based on traditional relay minutes. States with relatively little Internet Relay usage may end up paying significant costs. Most states will not pay for relay services unless the service is a mandatory part of Telecommunications Relay Services (TRS), leaving the remainder states with the burden of paying for Internet Relay. In most cases, Oregon does not provide relay services that are not mandated, unless it can be demonstrated that the non-mandated service is more cost efficient than the traditional service.

In addition, registration by the consumers will also be inaccurate. Based on the low number of customer database users for Oregon's traditional relay service, it is unlikely the consumer will volunteer identifying information, or call set up information. If consumers were required to register, there would be no method to determine whether their home number or address was fraudulent. Requiring relay users to register using credit cards would ensure authenticity of the users' information, however, this poses a

risk to consumers unless stringent methods were in place to prevent theft of their identity. Inaccurate information may result in a state being charged for Internet Relay usage that originates in another state.

With any method that the FCC chooses to determine cost allocations, OPUC strongly recommends that at least a three-year trial be in place to determine the accuracy of the method, before Internet Relay is mandated.

OPUC is also concerned about the ability to fund Internet Relay services, should the FCC mandate Internet Relay costs be covered by states. This concern stems from the fact that OPUC currently does not have access to Internet Relay data to determine a cost impact to the State of Oregon. Without accurate data, Oregon cannot project its ability to provide funds for Internet Relay services.

Currently, Oregon Telecommunications Relay Services is funded by a surcharge collected on each telephone line in Oregon that has the capability of using the relay service. These funds are collected under the Residential Service Protection Fund (RSPF) and supports three telecommunication assistance programs, including the Oregon Telecommunications Relay Service, Oregon Telephone Assistance Program and Telecommunications Devices Access Program. At this time, the surcharge is \$.13 per line, with a cap of \$.35 per line.¹

¹ See Chapter 290, Section 2-14, Oregon Laws 1987.

The FNPRM also states that the FCC “hopes and expects that states would enter into contracts with one or more Internet Relay providers,” particularly if the service were made mandatory.² While the state of Oregon is able to enter contracts with multiple vendors, we are concerned that multi-vendor contracting is not the most cost effective method to provide relay services. With such an environment, it would be difficult to project costs, or determine what the percentage of compensation to allocate to each vendor. Historically, because of the high cost per minute for relay services, and the relatively small number of service providers, we have chosen single contracts at the most cost effective rate.

3. Internet Relay Services should also not be mandated until clear methods to control fraud are in place

The State of Oregon is concerned about funding Internet Relay services at a time when Internet Relay is being used both nationally and internationally to scam businesses into shipping merchandise using fraudulent credit cards³. Because Internet Relay calls are routed over the Internet and often originate in a foreign country, it is difficult to determine the location and block the calls. Until the FCC is able to clearly pinpoint the origination of the call and/or block call usage from international consumers, the State of Oregon would be concerned about using surcharge funds to continue the perpetuation of such widespread credit card scams. Because of these concerns, OPUC again suggests

² See section 228 of CG 03-123, FCC 04-137.

³ Arizona Daily Star, *Overseas crooks abuse phone service for the deaf*, Tim Stellar, April 9, 2004.

that any method for cost recovery from the states be assessed for three years to ensure accuracy before mandating Internet Relay services.

4. The FCC should continue to allow NECA to cover the interstate and intrastate VRS costs

OPUC notes that both Internet Relay Services and VRS are valuable telecommunication tools for relay users, particularly VRS. VRS enables signers to communicate fully and effectively in their native language.

As with Internet Relay services, a cost recovery method is not readily available to determine intrastate and interstate call volumes. In addition, the current rate per minute for VRS is more than five times the rate of Internet Relay and Traditional Relay⁴. OPUC has limited information on Oregon VRS call volumes from one vendor⁵, and therefore is unable to project the number of VRS minutes for Oregon accurately. It is perceived, however, that with VRS call volume at such a higher rate per minute, Oregon would rapidly reach, and potentially exceed, the \$.35 per line statutory cap on the RSPF surcharge fee.

Additionally, OPUC oversees an equipment distribution program. Once VRS is mandated, it is likely that consumers and stakeholders of our program will expect the state to distribute and train on equipment such as D-Link or webcams that will allow

⁴ Current rate of VRS is currently set at \$7.293.

⁵ Sprint shares the number of VRS users who are accessing the www.orvrs.com site, however, is unable to share data on Oregonians who use the general Sprint VRS site.

consumers access to VRS. Although both devices are cheaper than the cost of the TTYs we distribute, the start up costs for purchasing VRS compatible equipment and training would be significant.

Finally, the expectation of multi-vendoring would not be cost effective for the State of Oregon. For one, VRS providers have different software programs that they use to provide VRS. The State of Oregon often purchases merchandise in bulk in order to reduce costs. With differing equipment and software requirements by VRS providers, the chance of getting equipment at wholesale rates diminishes. Second, like with Internet Relay multi-vendoring, the state would have difficulty determining how to allocate rates and traffic percentage to multiple vendors, and would find multi-vendoring the least cost effective way to provide services.

CONCLUSION

In conclusion, OPUC believes that Internet Relay and VRS relay should not be mandated at this time, and cost allocations should not be passed to the states until a clear method of accurately determining interstate and intrastate is established and successfully in place for at least three years. In addition, Internet Relay should not be mandated until the a method is in place to prevent international fraud or abuse of the relay service for the purpose of credit card or merchandise scams. Finally, the expense of providing VRS, particularly in combination with providing Internet Relay, will potentially exceed the statutory cap on the surcharge fees collected to provide Oregon Telecommunications

Relay Services, and therefore Oregon requests that VRS not be a mandated service at this time.

Respectfully submitted,

Damara Paris, RSPF Manager

Telecommunication Assistance Programs

Oregon Public Utility Commission

October 2004